

Property Tax Payments, 2002-2003

- Lawrence County -

Indiana Legislative Services Agency

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The Indiana Supreme Court found Indiana's true tax value assessment rules to be unconstitutional in December 1998. Major changes in property tax payments in each county from 2002 to 2003 were caused by several factors, including:

- The move from the old true tax value assessment rules to the new market-oriented rules during the 2002-2003 property tax reassessment.
- Tax levy increases by local taxing units, which are influenced by spending and the availability of other revenue sources.
- The tax restructuring provisions enacted by the General Assembly in 2002 to help mitigate some of the effects of the assessment changes.

State Tax Credits Increased in Lawrence County from \$6.3 Million in 2002 to \$9.7 Million in 2003.

The General Assembly's restructuring provisions increased state tax credits statewide in 2003 from \$1.12 billion to \$1.87 billion, an increase of approximately \$748 million. In Lawrence County, state tax credits

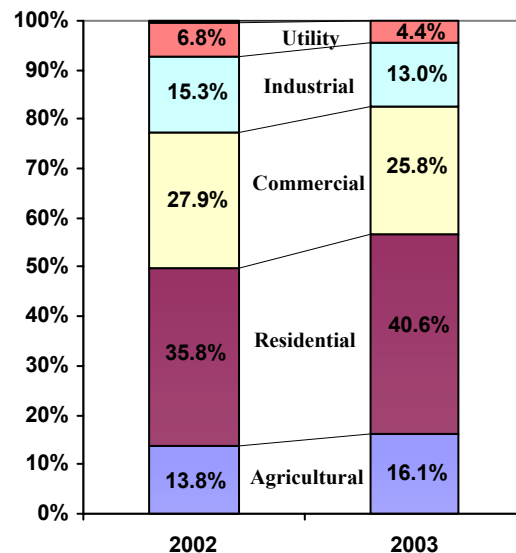
Table 1. Changes in AV and Tax Bills by Property Class for Lawrence County, 2002-2003.

| Property Class | Change In | | |
|-------------------|----------------|--------|--------------|
| | Total Gross AV | Net AV | Net Tax Bill |
| Agricultural | 112.3% | 90.4% | 12.6% |
| Residential (All) | 116.7% | 82.2% | 9.5% |
| Homestead Only | 116.0% | 69.5% | 0.0% |
| Commercial | 36.8% | 35.7% | -10.8% |
| Industrial | 11.9% | 19.0% | -18.0% |
| Utility | -11.4% | -11.4% | -37.7% |
| Avg. All Classes | 75.3% | 57.2% | -3.2% |

increased from \$6.3 million to \$9.7 million, an increase of \$3.4 million. This paper provides a brief summary of how these factors changed property tax liabilities in Lawrence County.

Tax Shifts. Lawrence County saw a property tax shift from businesses to residential and agricultural property owners. Tax bills paid by residential and agricultural property owners increased, while tax bills paid by commercial, industrial, and utility property owners decreased (see Table 1). [Restructuring also incorporated an increase in the Utility Receipts Tax to compensate for reduced property tax payments by utilities.] The reason for these shifts between classes of property was that the total of real plus personal property assessed values (AV) of residential and agricultural property increased more than the assessed values of business property. Gross assessed values of agricultural and residential property more than doubled. Commercial and industrial assessments rose much less, and utility assessments actually declined. These figures include the

Figure 1. Share of Net Property Tax Billings in Lawrence County.



* May not total 100% due to taxes paid by exempt/undefined parcels.

effects of new construction, demolition and remodeling of property, as well as the effects of reassessment, tax restructuring and levy increases.

Homeowners and Renters. The residential property type includes both homestead and non-homestead residential property. Owners of agricultural homesteads in Lawrence County saw their tax bills increase by a smaller amount than the average residential property increase. Tax bills of residential homesteads were almost unchanged. A property is eligible for the homestead deduction and credit if it is occupied by its owner and is the owner's primary residence. The increase in the homestead deduction from \$6,000 to \$35,000 is the reason that residential net assessed value rose so much less than gross assessed value.

Tax bills on non-homestead residential property, which is primarily rental property, increased much more than for homestead property. Taxes rose because rental assessments increased as much as homestead assessments, but rental property was not eligible for the homestead deduction or homestead credit.

Table 2 shows tax changes for comparable properties, those with physical features that were unchanged from 2002 to 2003. In Lawrence County, substantially more residential property owners (including both homeowners and rental property owners) saw tax bill increases than decreases in 2003. Separately, more homestead owners saw decreases rather than increases.

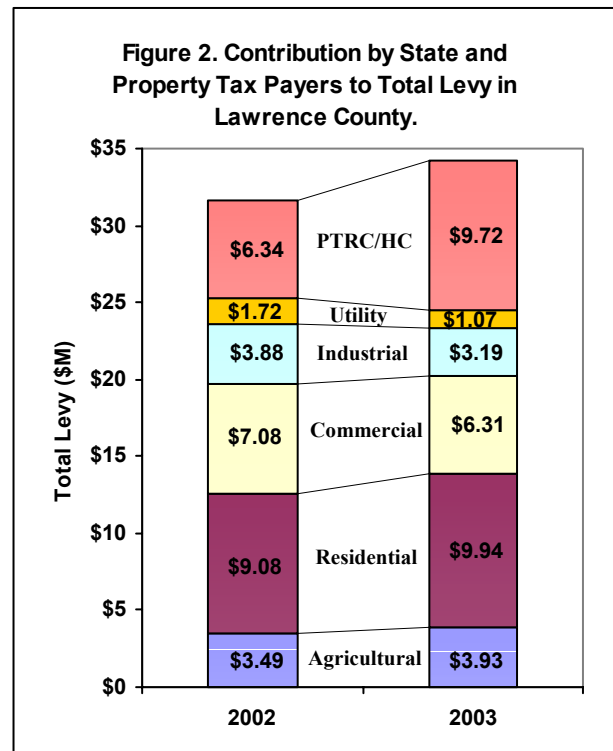
| Table 2. Distribution of Net Tax Changes on Comparable Residential Property in Lawrence County. | | | | |
|--|-----------------------------------|---------------------------------|---|---|
| | Residential - Actual - | Homestead - Actual - | Residential - NO Levy Change - | Homestead - NO Levy Change - |
| Increased | 64.2% | 44.4% | 59.6% | 38.5% |
| Decreased | 35.8% | 55.6% | 40.4% | 61.5% |
| Increased 100% or More | 15.8% | 9.2% | 13.2% | 8.1% |
| Decreased 25% or More | 16.0% | 25.7% | 20.5% | 33.1% |
| Average Change (\$) | \$28 | -\$49 | -\$7 | -\$90 |
| Average Change (%) | 5.6% | -7.3% | -1.4% | -13.4% |
| * Percentages represent the percentage of parcels affected. | | | | |

Not all of the tax bill change was due to reassessment and tax restructuring. Some was due to increases in the tax levies of local units of government. Table 2 shows estimates of what would have happened had tax levies remained unchanged. The estimates are made by recalculating tax rates for 2003 using tax levies from 2002.

With no levy changes, more than half of all residential property owners would have seen tax increases, and less than half would have seen tax decreases. For homesteads, more than half would have seen tax decreases. Apart from levy increases, reassessment and restructuring reduced the taxes of more homeowners than they increased.

Agriculture. Taxes on agricultural property in Lawrence County rose. Overall, agricultural business taxes rose more than agricultural homestead taxes. The net assessed value on non-homestead agricultural real property more than doubled. This reflects the 112% increase in the base rate of farm land, from \$495 to \$1,050 per acre. Agricultural net personal property assessments increased by a smaller amount.

Business. Taxes on business property fell in Lawrence County because assessed values rose much less than residential and agricultural assessments. Business real



property was assessed closer to the market value standard under the old assessment rules than was residential property. Consequently, the shift to market value assessment increased business assessments less. The general rise in assessed values in Lawrence County reduced tax rates, and this cut tax bills for owners of property with smaller assessment increases, like businesses.

Tax Restructuring. The tax restructuring of 2002 made significant changes to property tax assessments, deductions, credits, and hence to overall tax payments. Restructuring reversed personal property rule changes which the Department of Local Government Finance had put in place. It replaced one tax break for homeowners, known as the shelter allowance, with a larger (in most cases) homestead deduction. Restructuring also increased property tax replacement credits (PTRC) from the existing 20% credit. PTRC on school general fund levies is now 60% for all property. A 20% PTRC is paid to real property owners on civil levies plus the remaining school general fund levies (after the 60% credit). Restructuring also raised the homestead credit to 20% of net qualifying levies, instead of allowing it to revert to 4% of gross qualifying levies in 2003. Figure 2 shows the net levies paid by each property classification along with the PTRC and state homestead credit contributions. The contribution to local levies in Lawrence County by PTRC and state homestead credit payments increased by approximately 53%, from \$6.3 million to \$9.7 million.

Table 3 shows estimates of how Lawrence County tax bills would have changed for each property type had tax restructuring not been adopted. Tax increases for residential and agricultural property owners would have been particularly large. The increases in the homestead deduction and PTRC in the tax restructuring reduced the size of these tax increases. Lawrence County residential property taxes, on average, still increased. However, residential homestead taxes were unchanged because the reassessment business-to-residential tax shift, plus the increase in the tax levy, was offset by the rise in the homestead deduction and higher state PTRC payments. The percentage changes in the “With Restructuring” column of Table 3 correspond to the changes in the net levies in Figure 2.

| Table 3. Effect of Tax Restructuring on Tax Bills by Property Type in Lawrence County, 2002-2003. | | | |
|--|---|--|-------------------|
| Property Type | No Restructuring (Estimated) | With Restructuring (Actual) | Difference |
| Agricultural | 35.6% | 12.6% | -22.9% |
| Residential (All) | 51.1% | 9.5% | -41.6% |
| Homestead Only | 61.6% | 0.0% | -61.5% |
| Commercial | -15.1% | -10.8% | 4.3% |
| Industrial | -22.8% | -18.0% | 4.8% |
| Utility | -49.4% | -37.7% | 11.7% |

List of Attached Summary Tables. Four summary tables are attached to provide additional information regarding assessed values and taxes by property class.

Summary Table 1: Comparison of 2002 and 2003 Net Property Tax Billings by Property Classification. This table summarizes net tax billings for real and personal property by property class. Additional information is provided for subclasses such as homesteads, agricultural homesteads, agricultural land, and rental properties.

Summary Table 2: Comparison of 2002 and 2003 Net Assessed Value by Property Classification. This table summarizes net assessed values for the same property classes described in Summary Table 1.

Summary Table 3: Changes in Assessed Values, Deductions, Credits, and Net Levies. This table summarizes the county-wide changes in tax bill components from 2002 to 2003 for real and personal property by property class.

Summary Table 4: Residential Property Summary. This table summarizes the assessed value and net tax changes from 2002 to 2003 for residential property. The table includes a distribution of net tax changes for comparable residential properties and for the homestead component of residential property. The table also depicts the distribution of changes as if there were no levy increase in 2003.

Lawrence County
Changes in Assessed Values, Deductions, Credits and Net Levies
Pay 2002 - Pay 2003

| | Total | Agriculture | Residential | Res-Hmstd | Commercial | Industrial | Utility |
|---|---------------|--------------------|--------------------|------------------|-------------------|-------------------|----------------|
| Pay 2002 | | | | | | | |
| Real Gross Assessed Value | 698,351,460 | 149,362,731 | 401,000,251 | 326,136,305 | 100,200,940 | 46,328,570 | 1,457,967 |
| Real Deductions | 110,715,899 | 19,099,948 | 87,557,621 | 87,557,621 | 3,261,742 | 796,588 | 0 |
| Real Net Assessed Value | 587,635,561 | 130,262,783 | 313,442,630 | 238,578,684 | 96,939,198 | 45,531,982 | 1,457,967 |
| Personal Gross Assd. Value | 290,440,668 | 8,704,030 | 5,493,310 | 0 | 119,545,001 | 102,378,167 | 54,320,160 |
| Personal Deductions | 49,656,570 | 0 | 4,250 | 0 | 21,587,600 | 28,064,720 | 0 |
| Personal Net Assd. Value | 240,784,098 | 8,704,030 | 5,489,060 | 0 | 97,957,401 | 74,313,447 | 54,320,160 |
| Total Gross Assessed Value | 988,792,128 | 158,066,761 | 406,493,561 | 326,136,305 | 219,745,941 | 148,706,737 | 55,778,127 |
| Total Deductions | 160,372,469 | 19,099,948 | 87,561,871 | 87,557,621 | 24,849,342 | 28,861,308 | 0 |
| Total Net Assessed Value | 828,419,659 | 138,966,813 | 318,931,690 | 238,578,684 | 194,896,599 | 119,845,429 | 55,778,127 |
| Gross Levy | 31,561,144 | 4,355,981 | 11,884,732 | 8,757,779 | 8,587,146 | 4,672,067 | 2,061,188 |
| PTRC (Calculated) | 5,263,666 | 667,085 | 1,962,619 | 1,437,329 | 1,505,863 | 788,561 | 339,533 |
| State/County Homestead Cr. (Calculated) | 1,041,027 | 197,956 | 843,071 | 843,071 | 0 | 0 | 0 |
| Net Levy | 25,256,452 | 3,490,940 | 9,079,041 | 6,477,378 | 7,081,283 | 3,883,506 | 1,721,655 |
| Pay 2003 | | | | | | | |
| Real Gross Assessed Value | 1,431,132,170 | 326,028,328 | 875,391,545 | 704,355,617 | 164,479,210 | 62,938,033 | 2,249,575 |
| Real Deductions | 378,959,470 | 71,095,020 | 299,983,068 | 299,983,068 | 7,128,377 | 728,923 | 0 |
| Real Net Assessed Value | 1,052,172,700 | 254,933,308 | 575,408,477 | 404,372,549 | 157,350,833 | 62,209,110 | 2,249,575 |
| Personal Gross Assd. Value | 302,031,967 | 9,605,027 | 5,575,345 | 0 | 136,217,790 | 103,482,748 | 47,151,057 |
| Personal Deductions | 52,208,170 | 0 | 0 | 0 | 29,103,960 | 23,104,210 | 0 |
| Personal Net Assd. Value | 249,823,797 | 9,605,027 | 5,575,345 | 0 | 107,113,830 | 80,378,538 | 47,151,057 |
| Total Gross Assessed Value | 1,733,164,137 | 335,633,355 | 880,966,890 | 704,355,617 | 300,697,000 | 166,420,781 | 49,400,632 |
| Total Deductions | 431,167,640 | 71,095,020 | 299,983,068 | 299,983,068 | 36,232,337 | 23,833,133 | 0 |
| Total Net Assessed Value | 1,301,996,497 | 264,538,335 | 580,983,822 | 404,372,549 | 264,464,663 | 142,587,648 | 49,400,632 |
| Gross Levy | 34,163,036 | 5,756,826 | 15,142,667 | 10,361,960 | 8,008,475 | 3,981,981 | 1,272,638 |
| PTRC (Calculated) | 8,514,669 | 1,624,711 | 4,198,890 | 2,882,254 | 1,694,757 | 796,205 | 199,974 |
| State/County Homestead Cr. (Calculated) | 1,199,058 | 199,963 | 999,096 | 999,096 | 0 | 0 | 0 |
| Net Levy | 24,449,309 | 3,932,152 | 9,944,682 | 6,480,610 | 6,313,718 | 3,185,775 | 1,072,664 |

COMPARISONS

| | | | | | | | |
|--------------------------------|--------------|--------------|-------------|-------------|---------------|---------------|---------------|
| Net Levy Percent Change | -3.2% | 12.6% | 9.5% | 0.0% | -10.8% | -18.0% | -37.7% |
|--------------------------------|--------------|--------------|-------------|-------------|---------------|---------------|---------------|

Contributions to Tax Bill Changes, 2002-2003

| Percent Changes | Total | Agriculture | Residential | Res-Hmstd | Commercial | Industrial | Utility |
|----------------------------|--------------|--------------------|--------------------|------------------|-------------------|-------------------|----------------|
| Gross Real AV | 104.9% | 118.3% | 118.3% | 116.0% | 64.1% | 35.9% | 54.3% |
| Gross Personal AV | 4.0% | 10.4% | 1.5% | 0.0% | 13.9% | 1.1% | -13.2% |
| Total Gross Assessed Value | 75.3% | 112.3% | 116.7% | 116.0% | 36.8% | 11.9% | -11.4% |
| Net Assessed Value | 57.2% | 90.4% | 82.2% | 69.5% | 35.7% | 19.0% | -11.4% |
| Gross Levy | 8.2% | 32.2% | 27.4% | 18.3% | -6.7% | -14.8% | -38.3% |
| Net Levy | -3.2% | 12.6% | 9.5% | 0.0% | -10.8% | -18.0% | -37.7% |

Actual State Credits, 2002 and 2003

| | 2002 | 2003 | Change | Change% |
|--------------------------------|-------------|-------------|---------------|----------------|
| PTRC (Abstract) | 5,283,424 | 8,527,755 | 3,244,331 | 61.4% |
| State Homestead Cr. (Abstract) | 1,054,008 | 1,187,925 | 133,917 | 12.7% |
| Total State Credits (Abstract) | 6,337,433 | 9,715,681 | 3,378,248 | 53.3% |

Comparison of 2002 and 2003 Net Property Tax Billings*
(Scaled to Abstract Values)
By Property Classification**
Lawrence County

| Property Classification | 2002 Net Tax | 2003 Net Tax | Difference*** | Change*** | 2002 % of Total Real + Pers | 2003 % of Total Real + Pers | Change |
|--------------------------------------|-----------------|-----------------|---------------|-----------|-----------------------------------|-----------------------------------|--------|
| <u>Real + Personal</u> | | | | | | | |
| Agricultural | 3,490,940 | 3,932,152 | 441,212 | 12.6% | 13.8% | 16.1% | 2.3% |
| Residential | 9,079,041 | 9,944,682 | 865,641 | 9.5% | 35.8% | 40.6% | 4.8% |
| Commercial | 7,081,283 | 6,313,718 | -767,565 | -10.8% | 27.9% | 25.8% | -2.1% |
| Industrial | 3,883,506 | 3,185,775 | -697,731 | -18.0% | 15.3% | 13.0% | -2.3% |
| Utility | 1,721,655 | 1,072,664 | -648,991 | -37.7% | 6.8% | 4.4% | -2.4% |
| Exempt | 102,071 | 43,665 | -58,406 | -57.2% | 0.4% | 0.2% | -0.2% |
| Undefined | 26 | 318 | 292 | 1123.1% | 0.0% | 0.0% | 0.0% |
| Total | 25,358,522 | 24,492,974 | -865,548 | -3.4% | 100.0% | 100.0% | 0.0% |
| <u>Real Property Only</u> | | | | | | | |
| Agricultural | 3,261,893 | 3,762,043 | 500,150 | 15.3% | 12.9% | 15.4% | 2.5% |
| Residential | 8,919,118 | 9,849,302 | 930,184 | 10.4% | 35.2% | 40.2% | 5.0% |
| Commercial | 3,503,335 | 3,461,889 | -41,446 | -1.2% | 13.8% | 14.1% | 0.3% |
| Industrial | 1,542,216 | 1,292,132 | -250,084 | -16.2% | 6.1% | 5.3% | -0.8% |
| Utility | 51,030 | 46,662 | -4,368 | -8.6% | 0.2% | 0.2% | 0.0% |
| Exempt | 102,071 | 43,665 | -58,406 | -57.2% | 0.4% | 0.2% | -0.2% |
| Undefined | 26 | 318 | 292 | 1123.1% | 0.0% | 0.0% | 0.0% |
| Total | 17,379,689 | 18,456,011 | 1,076,322 | 6.2% | 68.5% | 75.4% | 6.8% |
| Agricultural Homesteads | 1,972,630 | 2,106,418 | 133,788 | 6.8% | 7.8% | 8.6% | 0.8% |
| Residential Homesteads | 6,477,378 | 6,480,610 | 3,232 | 0.0% | 25.5% | 26.5% | 0.9% |
| Total Homesteads | 8,450,008 | 8,587,028 | 137,020 | 1.6% | 33.3% | 35.1% | 1.7% |
| Non-Homestead Residential | 2,441,740 | 3,368,692 | 926,952 | 38.0% | 9.6% | 13.8% | 4.1% |
| Apartments (Over 4 Units) | 398,774 | 478,845 | 80,071 | 20.1% | 1.6% | 2.0% | 0.4% |
| <u>Personal Property Only</u> | | | | | | | |
| Agricultural | 229,047 | 170,110 | -58,937 | -25.7% | 0.9% | 0.7% | -0.2% |
| Residential | 159,923 | 95,380 | -64,543 | -40.4% | 0.6% | 0.4% | -0.2% |
| Commercial | 3,577,949 | 2,851,829 | -726,120 | -20.3% | 14.1% | 11.6% | -2.5% |
| Industrial | 2,341,290 | 1,893,643 | -447,647 | -19.1% | 9.2% | 7.7% | -1.5% |
| Utility | 1,670,625 | 1,026,002 | -644,623 | -38.6% | 6.6% | 4.2% | -2.4% |
| Total | 7,978,834 | 6,036,964 | -1,941,870 | -24.3% | 31.5% | 24.6% | -6.8% |
| Total Depreciables | 6,911,208 | 4,590,404 | -2,320,804 | -33.6% | 27.3% | 18.7% | -8.5% |
| Total Inventory | 907,703 | 1,351,179 | 443,476 | 48.9% | 3.6% | 5.5% | 1.9% |
| <u>Agricultural Only</u> | | | | | | | |
| Ag Non-Hmstd Real | 1,289,263 | 1,655,624 | 366,361 | 28.4% | 5.1% | 6.8% | 1.7% |
| Ag Personal | 229,047 | 170,110 | -58,937 | -25.7% | 0.9% | 0.7% | -0.2% |
| Total Ag Business | 1,518,310 | 1,825,734 | 307,424 | 20.2% | 6.0% | 7.5% | 1.5% |
| Ag Homesteads | 1,972,630 | 2,106,418 | 133,788 | 6.8% | 7.8% | 8.6% | 0.8% |

* "Tax billings" for real property refers to the net taxes charged per the parcel level data received from county auditors and assessors, scaled to values reported on the county auditor's abstract.

* "Tax billings" for personal property refers to the net taxes charged on the personal property assessed value reported on the county auditor's abstract.

** Property class was determined using a combination of county auditor parcel-level real property tax data, county assessor parcel-level real property assessment data, county auditor abstracts, Form 15 personal property assessment data, business and farmer's personal property tax returns over \$150,000 AV, and state distributable utility tax returns.

*** Net tax changes from 2002 to 2003 include effects of changes in assessment methods, local levies, real property physical characteristics, property use, personal property held or acquired, deductions, and credits.

Comparison of 2002 and 2003 Net Assessed Value*
(Scaled to Abstract Values)
By Property Classification**
Lawrence County

| Property Classification | 2002 Net AV | 2003 Net AV | Difference*** | Change*** | 2002 % of Total Real + Pers | 2003 % of Total Real + Pers | Change |
|--------------------------------------|----------------|----------------|---------------|-----------|-----------------------------------|-----------------------------------|--------|
| <u>Real + Personal</u> | | | | | | | |
| Agricultural | 138,966,813 | 264,538,335 | 125,571,522 | 90.4% | 16.7% | 20.3% | 3.6% |
| Residential | 318,931,690 | 580,983,822 | 262,052,132 | 82.2% | 38.4% | 44.5% | 6.2% |
| Commercial | 194,896,599 | 264,464,663 | 69,568,064 | 35.7% | 23.4% | 20.3% | -3.2% |
| Industrial | 119,845,429 | 142,587,648 | 22,742,219 | 19.0% | 14.4% | 10.9% | -3.5% |
| Utility | 55,778,127 | 49,400,632 | -6,377,495 | -11.4% | 6.7% | 3.8% | -2.9% |
| Exempt | 2,952,300 | 2,340,100 | -612,200 | -20.7% | 0.4% | 0.2% | -0.2% |
| Undefined | 1,001 | 21,397 | 20,396 | 2037.6% | 0.0% | 0.0% | 0.0% |
| Total | 831,371,959 | 1,304,336,597 | 472,964,638 | 56.9% | 100.0% | 100.0% | 0.0% |
| <u>Real Property Only</u> | | | | | | | |
| Agricultural | 130,262,783 | 254,933,308 | 124,670,525 | 95.7% | 15.7% | 19.5% | 3.9% |
| Residential | 313,442,630 | 575,408,477 | 261,965,847 | 83.6% | 37.7% | 44.1% | 6.4% |
| Commercial | 96,939,198 | 157,350,833 | 60,411,635 | 62.3% | 11.7% | 12.1% | 0.4% |
| Industrial | 45,531,982 | 62,209,110 | 16,677,128 | 36.6% | 5.5% | 4.8% | -0.7% |
| Utility | 1,457,967 | 2,249,575 | 791,608 | 54.3% | 0.2% | 0.2% | 0.0% |
| Exempt | 2,952,300 | 2,340,100 | -612,200 | -20.7% | 0.4% | 0.2% | -0.2% |
| Undefined | 1,001 | 21,397 | 20,396 | 2037.6% | 0.0% | 0.0% | 0.0% |
| Total | 590,587,861 | 1,054,512,800 | 463,924,939 | 78.6% | 71.0% | 80.8% | 9.8% |
| Agricultural Homesteads | 81,662,117 | 148,090,236 | 66,428,119 | 81.3% | 9.8% | 11.4% | 1.5% |
| Residential Homesteads | 238,578,684 | 404,372,549 | 165,793,865 | 69.5% | 28.7% | 31.0% | 2.3% |
| Total Homesteads | 320,240,801 | 552,462,785 | 232,221,984 | 72.5% | 38.5% | 42.4% | 3.8% |
| Non-Homestead Residential | 74,863,946 | 171,035,928 | 96,171,982 | 128.5% | 9.0% | 13.1% | 4.1% |
| Apartments (Over 4 Units) | 10,964,192 | 21,546,096 | 10,581,904 | 96.5% | 1.3% | 1.7% | 0.3% |
| <u>Personal Property Only</u> | | | | | | | |
| Agricultural | 8,704,030 | 9,605,027 | 900,997 | 10.4% | 1.0% | 0.7% | -0.3% |
| Residential | 5,489,060 | 5,575,345 | 86,285 | 1.6% | 0.7% | 0.4% | -0.2% |
| Commercial | 97,957,401 | 107,113,830 | 9,156,429 | 9.3% | 11.8% | 8.2% | -3.6% |
| Industrial | 74,313,447 | 80,378,538 | 6,065,091 | 8.2% | 8.9% | 6.2% | -2.8% |
| Utility | 54,320,160 | 47,151,057 | -7,169,103 | -13.2% | 6.5% | 3.6% | -2.9% |
| Total | 240,784,098 | 249,823,797 | 9,039,699 | 3.8% | 29.0% | 19.2% | -9.8% |
| Total Depreciables | 206,658,704 | 188,609,042 | -18,049,662 | -8.7% | 24.9% | 14.5% | -10.4% |
| Total Inventory | 28,636,334 | 55,639,410 | 27,003,076 | 94.3% | 3.4% | 4.3% | 0.8% |
| <u>Agricultural Only</u> | | | | | | | |
| Ag Non-Hmstd Real | 48,600,666 | 106,843,072 | 58,242,406 | 119.8% | 5.8% | 8.2% | 2.3% |
| Ag Personal | 8,704,030 | 9,605,027 | 900,997 | 10.4% | 1.0% | 0.7% | -0.3% |
| Total Ag Business | 57,304,696 | 116,448,099 | 59,143,403 | 103.2% | 6.9% | 8.9% | 2.0% |
| Ag Homesteads | 81,662,117 | 148,090,236 | 66,428,119 | 81.3% | 9.8% | 11.4% | 1.5% |

* "Net Assessed Value" for real property refers to the gross AV less deductions per the parcel level data received from county auditors and assessors, scaled to values reported on the county auditor's abstract.

* "Net Assessed Value" for personal property refers to the gross personal property assessed value reported on the county auditor's abstract less the deductions reported on the abstract.

** Property class was determined using a combination of county auditor parcel-level real property tax data, county assessor parcel-level real property assessment data, county auditor abstracts, Form 15 personal property assessment data, business and farmer's personal property tax returns over \$150,000 AV, and state distributable utility tax returns.

*** Net AV changes from 2002 to 2003 include effects of changes in assessment methods, real property physical characteristics, property use, personal property held or acquired, and deductions.

**Lawrence County
Residential Property Summary
2003 Reassessment**

| Property Type | Change in Gross AV 2002 to 2003 | Change in Net AV 2002 to 2003 | Change in Net Tax 2002 to 2003 | Change in Net Tax With NO Cert. Levy Chg. 2002 to 2003 |
|-----------------------------------|--|--|---|---|
| All Real Residential Properties | 117% | 81% | 9% | 2% |
| Comparable Residential Real Prop. | 111% | 75% | 6% | -1% |
| Comparable Homesteads | 108% | 58% | -7% | -13% |

Distribution of Net Tax Changes on Comparable Residential Property

| % Change | | 2002 to 2003 Actual Bills All Residential Property | | 2002 to 2003 Actual Bills Homesteads Only | | 2002 to 2003 Recomputed Bills With NO Certified Levy Change All Residential Property | | 2002 to 2003 Recomputed Bills With NO Certified Levy Change Homesteads | |
|--------------------------------|---------|---|--------------|--|--------------|---|--------------|---|--------------|
| Over | 300% | 718 | 4.1% | 273 | 2.7% | 638 | 3.6% | 224 | 2.3% |
| 200% | to 300% | 447 | 2.5% | 171 | 1.7% | 392 | 2.2% | 169 | 1.7% |
| 100% | to 200% | 1,618 | 9.2% | 476 | 4.8% | 1,304 | 7.4% | 405 | 4.1% |
| 50% | to 100% | 2,852 | 16.1% | 698 | 7.0% | 2,613 | 14.8% | 605 | 6.1% |
| 25% | to 50% | 2,187 | 12.4% | 818 | 8.2% | 1,996 | 11.3% | 657 | 6.6% |
| 10% | to 25% | 1,835 | 10.4% | 830 | 8.4% | 1,790 | 10.1% | 730 | 7.3% |
| 5% | to 10% | 554 | 3.1% | 389 | 3.9% | 688 | 3.9% | 309 | 3.1% |
| 0 | to 5% | 1,139 | 6.4% | 761 | 7.7% | 1,118 | 6.3% | 725 | 7.3% |
| 0 | to -5% | 633 | 3.6% | 497 | 5.0% | 615 | 3.5% | 420 | 4.2% |
| -5% | to -10% | 681 | 3.9% | 532 | 5.4% | 656 | 3.7% | 509 | 5.1% |
| -10% | to -25% | 2,182 | 12.3% | 1,942 | 19.5% | 2,238 | 12.7% | 1,896 | 19.1% |
| -25% | to -50% | 2,385 | 13.5% | 2,223 | 22.4% | 3,037 | 17.2% | 2,828 | 28.5% |
| Below | -50% | 443 | 2.5% | 329 | 3.3% | 589 | 3.3% | 462 | 4.6% |
| | | 17,674 | 100.0% | 9,939 | 100.0% | 17,674 | 100.0% | 9,939 | 100.0% |
| Parcels With Increases | | 11,350 | 64.2% | 4,416 | 44.4% | 10,539 | 59.6% | 3,824 | 38.5% |
| Parcels With Reductions | | 6,324 | 35.8% | 5,523 | 55.6% | 7,135 | 40.4% | 6,115 | 61.5% |
| Average \$ Change | | \$28 | | -\$49 | | -\$7 | | -\$90 | |
| Average % Change | | 5.6% | | -7.3% | | -1.4% | | -13.4% | |

"Comparable Properties" = Properties with a record in both years that have improvements in both years OR no improvements in both years.

Data Source: 2002 and 2003 County Parcel Tax Data - County Auditor and County Assessor
Prepared by Legislative Services Agency, June 2005.